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FISCAL IMPACT STATEMENT

LS 6070 | **NOTE PREPARED:** Feb 7, 2011
BILL NUMBER: SB 260 | **BILL AMENDED:** Feb 7, 2011

SUBJECT: Clean Energy Improvement Financing District.

FIRST AUTHOR: Sen. Merritt | **BILL STATUS:** CR Adopted - 1st House
FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL** **DEDICATED** **FEDERAL** | **IMPACT:** Local

Summary of Legislation: (Amended) This bill allows the legislative body of a county or a municipality to establish a clean energy improvement financing program to fund clean energy improvements for voluntary participants in the program.

The bill requires financing to come from private equity or federal grants or loans. It prohibits the legislative body from issuing bonds to finance clean energy improvements and establishes a 20 year period for the payment of special assessments on each participating property. The bill provides that assessments are billed, collected, and enforced in the same manner as property taxes.

Effective Date: July 1, 2011.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) Under this bill, the legislative body of a county or a municipality may establish a clean energy improvement financing program. The enabling ordinance or resolution would have to designate a body that would administer the program. The legislative body may name itself as the administrator.

Financing could come from a combination of private equity financing, and federal grants and loans. The unit would be prohibited from issuing bonds for this purpose. In addition, property owners would have to make a contribution of between 10% and 25% of the cost of their clean energy improvement.

Property owners located within the territory of the unit could apply to participate in the program. If approved, the unit would provide financing for the property owner's cost of the clean energy improvements. Participating taxpayers (including subsequent purchasers of the improved property) would repay the cost of the project over a 20 year period through annual special assessments.

Each year, the designated body would calculate a special assessment for each participant based on the cost of improvements installed on each property. The designated body would be able to adjust the assessments to ensure that collections are sufficient to make all payments.

A clean energy improvement financing program could encourage additional development. Any fiscal impact would depend on local action.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Counties and municipalities.

Information Sources:

Fiscal Analyst: Bob Sigalow, 317-232-9859.